

Message Text

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P R 172042Z JAN 77
FM AMEMBASSY BONN
TO SECSTATE WASHDC PRIORITY 4776
USMISSION USBERLIN PRIORITY
INFO AMEMBASSY LONDON
AMEMBASSY BERLIN
AMEMBASSY MOSCOW
AMEMBASSY PARIS
USMISSION NATO BRUSSELS
USELM LIVE OAK
CINC USAREUR HEIDELBERG

C O N F I D E N T I A L SECTION 01 OF 03 BONN 00935

E.O. 11652: GDS
TAGS: PFOR PGOV WB GE GW US UK FR UR
SUBJECT: INCREASE IN REICHSBAHN TARIFFS FOR ALLIED
MILITARY TRAINS TO BERLIN

REFS: (A) BONN 649 DTG 121728Z JAN 77 (NOTAL);
(B) USBER 2524 DTG 241640Z NOV 76 (NOTAL)

BEGIN SUMMARY. EXPLANATION OF SETTLEMENTS SYSTEM
GIVEN BY FRG BONN GROUP REP REVEALS THAT THE
REICHSBAHN (GDR) HAS NEVER RECEIVED DIRECT PAYMENT FOR
PULLING ALLIED DUTY TRAINS THROUGH THE GDR SINCE 1945.
PAYMENT FOR HAULING FREIGHT TRAINS IS MADE ON BEHALF
OF THE ALLIES BY THE BUNDESBahn (FRG). IN THE LIGHT
OF THIS INFORMATION, THE BONN GROUP ANALYZED THE
REICHSBAHN ANNOUNCEMENT OF A TARIFF INCREASE NOT ONLY
AS A MEASURE TO BRING TARIFFS INTO LINE WITH COSTS,
BUT ALSO AS A PROBABLE ATTEMPT TO SHED THE GDR OF AN
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OCCUPATION RESPONSIBILITY. SHOULD ABRASIMOV RAISE THE
ISSUE WITH UK AMBASSADOR WRIGHT ON JANUARY 19, THE LATTER
WILL BE BRIEFED TO RESPOND THAT THE ALLIES REGARD THE
TARIFF STRUCTURE AS A QUADRIpartite RESPONSIBILITY WHICH
MUST BE DISCUSSED WITH THE SOVIETS. WHILE AWAITING
RECOMMENDATIONS FROM BERLIN MISSIONS, WHICH ARE
ACTIVELY STUDYING THE PROBLEM, THE BONN GROUP WAS OF

THE PRELIMINARY OPINION THAT THE ALLIES SHOULD APPROACH THE SOVIETS ON THE MATTER BEFORE THE FEBRUARY 1 DEADLINE FOR THE NEW RATE SCHEDULES. END SUMMARY.

1. RESPONDING TO QUESTIONS PREVIOUSLY RAISED IN THE BONN GROUP BY ALLIED REPS (REF A), THE FRG REP (HENZE) ON JANUARY 17 PROVIDED BACKGROUND ON THE REVENUE SYSTEM FOR HANDLING OF ALLIED MILITARY TRAINS IN THE GDR. HENZE SAID THE FONOFF HAD DISCUSSED THE MATTER THAT MORNING WITH EXPERTS FROM THE MAIN ADMINISTRATION OF THE DEUTSCHE BUNDESBahn IN FRANKFURT.

2. THE PRESENT SYSTEM ORIGINATED WITH A FOUR POWER OCCUPATION DIRECTIVE OF AUGUST 14, 1946 -- DTPT/P(46)283 -- CONCERNING THE DISTRIBUTION OF REVENUES FROM INTERZONAL TRANSPORT. THE DIRECTIVE PROVIDED THAT, WHILE TARIFFS HAD BEEN SET AT THE RATE IN EFFECT AT THE END OF THE WAR, THERE WOULD BE NO COMPENSATION TO THE REICHSBAHN ADMINISTRATION IN THE DIFFERENT ZONES FOR THE TRANSPORT OF PERSONS -- I.E., THE RAILROAD IN EACH ZONE WOULD RETAIN THE REVENUES THAT IT RECEIVED. THERE WOULD, HOWEVER, BE COMPENSATION FOR THE TRANSPORT OF GOODS. THIS ARRANGEMENT WAS CONFIRMED IN 1949 IN THE "OFFENBACH AGREEMENT" BETWEEN THE DEUTSCHE BUNDESBahn (FRG) AND THE DEUTSCHE REICHSBAHN (GDR), AFTER THE RAILROAD HAD SPLIT. IN 1954, HENZE CONTINUED, THE FRG CONSIDERED RENOUNCING THE AGREEMENT BUT DID NOT DO SO AFTER IT RECEIVED A PROTEST FROM THE GDR. DURING

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THE 1958 BERLIN CRISIS, THE GDR INFORMED THE BUNDESBahn THAT THE OFFENBACH AGREEMENT COULD NO LONGER SERVE AS THE BASIS FOR COMPENSATION SETTLEMENTS; NEVERTHELESS, IT CONTINUED TO OBSERVE THE AGREEMENT.

3. FOR GERMAN TRAFFIC, THE OFFENBACH AGREEMENT WAS SUPERSEDED BY THE 1972 FRG-GDR TRAFFIC TREATY, WHICH PROVIDED THAT RATES SET BY INTERNATIONAL TARIFF AGREEMENTS (CIM AND CIV) WOULD APPLY. THE ONLY PART OF THE OFFENBACH AGREEMENT STILL IN FORCE CONCERNS THE COMPENSATION FOR MOVEMENT OF ALLIED TRAINS TO AND FROM BERLIN.

4. HENZE EXPLAINED THAT, FOR THE TRANSPORT OF PERSONS, THE BUNDESBahn HAS RECEIVED COMPENSATION FROM THE ALLIES BUT HAS NOT TURNED OVER THE FUNDS TO THE GDR. THE BUNDESBahn HAS BILLED THE ALLIES, SHOWING THE DIFFERENT RATES FOR TRANSPORT IN THE

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TERRITORY OF THE FRG AND ACROSS THE GDR, BUT IN
ACCORDANCE WITH THE 1946 DIRECTIVE HAS NOT COMPENSATED
THE GDR. FOR THE TRANSPORT OF GOODS, THE BILL IS ALSO
SENT TO THE ALLIES, SHOWING THE DIFFERENT TARIFFS FOR
THE FRG AND THE GDR, AND THE PORTION DUE THE GDR AFTER IT
IS RECEIVED FROM THE ALLIES IS TURNED OVER TO THE GDR AS
A PART OF THE MONTHLY BALANCING OF ACCOUNTS.

5. UK REP (HITCH) ASKED WHAT INTEREST THE GDR HAD IN
INCREASING THE RATES, IF IT WAS NOT RECEIVING THE MONEY
ANYWAY. HENZE RESPONDED THAT IT WAS CLEAR FROM THE
LETTER WHICH THE GDR HAD SENT TO THE
BUNDESBahn ON NOVEMBER 1, SIMILAR TO THAT SENT TO THE
THREE ALLIES ON THE SAME DATE (REF B), THAT THE GDR NOW
WISHED TO RECEIVE THE MONEY.

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6. HENZE ADDED THAT THE BUNDESBahn HAD FIRST RECEIVED AN INDICATION OF THIS NEW REICHsbahn POSITION IN AUGUST 1976 AND HAD DISCUSSED IT WITH THE OFFICIALS FROM THE THREE ALLIED MILITARY HEADQUARTERS IN THE FRG WITH WHOM IT REGULARLY DEALS ON MATTERS CONCERNING THE DUTY TRAINS. HE REFERRED TO A MEETING IN HEILBRON ON OCTOBER 20-21. THE POSITION OF THE BUNDESBahn IS THAT IT COULD ONLY CHANGE THE SYSTEM OF BALANCING ACCOUNTS OR ACCEPT THE NEW TARIFF SCHEDULE IF THE MATTER WERE DECIDED AMONG THE THREE WESTERN ALLIES AND THE SOVIETS.

7. THE BUNDESBahn HAD, ACCORDINGLY, REPLIED TO THE LETTER FROM THE GDR ON NOVEMBER 9: "WE CANNOT TAKE ANY ACTION ON YOUR REQUEST BECAUSE WE ARE NOT COMPETENT TO DEAL WITH QUESTIONS OF FARES OR TARIFFS WHICH CONCERN THE DEUTSCHE REICHsbahn AND FORCES STATIONED IN BERLIN. WE THEREFORE REGRET THAT WE CANNOT COMPLY WITH YOUR REQUEST TO INFORM THE FREIGHT PAYERS (I.E., THE THREE ALLIES)."

8. RESPONDING TO THE SECOND QUESTION WHICH ALLIED REPS HAD RAISED IN THE PREVIOUS BONN GROUP MEETING, HENZE STATED THAT THE BUNDESBahn HAD COMPARED THE NEW TARIFFS PROPOSED BY THE REICHsbahn AND HAD FOUND THAT ON THE AVERAGE THE NEW TARIFFS WERE THE SAME AS THOSE OF THE BUNDESBahn, WITH THREE EXCEPTIONS (ALL OF PARTICULAR RELEVANCE TO ALLIED MILITARY CARGO):

-- TRANSPORT OF EMPTY AND LOADED CONTAINERS;

-- TRANSPORT OF OVERSIZE GOODS (I.E., MAINLY TANKS); FOR THIS CATEGORY THE BUNDESBahn OVERCHARGE IS TEN PERCENT, WHEREAS THE GDR WANTS 100 PERCENT; AND

-- TRANSPORT OF EXPLOSIVE GOODS (AMMUNITION); HERE THE BUNDESBahn CHARGES A SECURITY FARE OF DM 2 PER
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KILOMETER, WHEREAS THE GDR IS ASKING FOR A 100 PERCENT SURCHARGE.

9. IN ENSUING DISCUSSION, BONN GROUP REPS WERE OF THE OPINION THAT THE INFORMATION PROVIDED BY HENZE SHED A NEW LIGHT ON THE NATURE OF THE GDR DEMAND. INSOFAR AS PASSENGER TRAINS WERE CONCERNED, THE GDR WAS NOT JUST REQUESTING AN INFLATION-MOTIVATED INCREASE IN REVENUE, BUT IN ACTUALITY SEEMED TO BE ATTEMPTING TO END THE OCCUPATION PRACTICE WHICH HAD

REQUIRED THE GDR TO BEAR THE FULL COST.

10. AS FOR HOW WE SHOULD PROCEED, HITCH RESPONDED THAT THE UK MISSION IN BERLIN HAD BEEN ASKED TO PROVIDE A STATUS REPORT ON DISCUSSIONS IN BERLIN, ON BEHALF OF ALL THREE MISSIONS. IN ITS INTERIM REPORT, THE CIVIL AFFAIRS COMMITTEE STATED THAT IT MIGHT BE DESIRABLE TO USE THE HINT WHICH THE SOVIETS HAD GIVEN ON DECEMBER 21 AS A BASIS FOR RAISING THE TARIFF ISSUE WITH THE SOVIETS. (ON THAT DATE, IN RESPONSE TO A COMPLAINT FROM THE US PROTOCOL OFFICER ABOUT A DELAY AT HELMSTEDT OF AN INBOUND US FREIGHT TRAIN, TYUTYUNOV HAD COMMENTED THAT TARIFFS FOR ALLIED TRAINS HAD NOT BEEN RAISED FOR A LONG TIME AND THAT THE GDR WAS LOSING A SUBSTANTIAL AMOUNT OF MONEY AS A RESULT. TYUTYUNOV HAD HASTENED TO ADD THAT THERE "MIGHT NOT BE" ANY DIRECT CONNECTION BETWEEN THE GDR FINANCIAL LOSSES AND THE DELAY TO THE US TRAIN.) A TENTATIVE IDEA BY THE CIVIL AFFAIRS COMMITTEE WAS THAT IT MIGHT BE DESIRABLE TO ESTABLISH WITH THE SOVIETS AN UMBRELLA FOR NEGOTIATIONS BETWEEN THE BUNDESBAHN AND THE REICHSBAHN.

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11. HITCH CONTINUED THAT HIS EMBASSY WAS NOT RECOMMENDING THAT AMBASSADOR WRIGHT RAISE THE MATTER WHEN HE HAS LUNCH WITH ABRASIMOV ON JANUARY 19. IT WAS CONCEIVABLE, HOWEVER, THAT THE SOVIETS MIGHT HAVE THE ISSUE ON THEIR MINDS. HE THEREFORE PROPOSED TO RECOMMEND THAT, IF ABRASIMOV RAISED THE MATTER, WRIGHT SHOULD RESPOND THAT WE REGARDED THIS AS A QUADRIpartite RESPONSIBILITY AND EXPECTED TO DEAL WITH THE SOVIETS ON IT. ASKED WHETHER IT MIGHT NOT BE PREFERABLE FOR WRIGHT TO TAKE THE INITIATIVE, HITCH SAID HE WOULD PREFER TO AWAIT FULLER RECOMMENDATIONS FROM BERLIN. MEANWHILE, HE SAID HE WOULD WELCOME ENDORSEMENT OF THE DEFENSIVE BRIEFING LINE FOR AMBASSADOR WRIGHT HE HAD JUST PROPOSED. THE OTHER THREE REPS AGREED TO THE DESIRABILITY OF THE PROPOSED LINE. CONFIDENTIAL

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12. FRENCH REP (BOISSIEU), UNDERSTANDING THAT THE BERLIN MISSIONS WERE ALSO STUDYING THE ECONOMIC AND OTHER TECHNICAL ASPECTS OF THE MATTER, WONDERED WHETHER IT MIGHT NOT BE DESIRABLE FOR THE BONN GROUP TO PROVIDE BROAD GUIDANCE ON THE POLITICAL ISSUE AT STAKE -- I.E., WHETHER AND HOW TO APPROACH THE SOVIETS. IN HIS VIEW, THE ALLIES SHOULD INFORM THE SOVIETS THAT A QUADRIpartite DECISION WOULD BE REQUIRED TO AMEND THE 1946 OCCUPATION ORDER. WE SHOULD EXPRESS READINESS TO DISCUSS THE PRINCIPLE UNDER WHICH THE GDR IS AT PRESENT NOT COMPENSATED FOR PULLING PASSENGER TRAINS. AS FOR AN INCREASE IN TARIFFS FOR PULLING FREIGHT TRAINS, WE SHOULD INDICATE THAT SOME INCREASE IS PROBABLY WARRANTED AND SUGGEST THAT THE DETAILS BE DISCUSSED BETWEEN THE BUNDESBahn AND THE REICHSbahn, WITH THE AGREEMENTS REACHED SUBJECT TO FOUR POWER APPROVAL.

13. OTHER REPS RECOGNIZED A DANGER THAT MORE FREQUENT DELAYS IN DUTY TRAINS MIGHT BE EXPERIENCED AFTER FEBRUARY 1 IF NO AGREEMENT HAD BEEN REACHED. THERE WAS ALSO A GENERAL FEELING THAT AN APPROACH TO THE SOVIETS ALONG THE LINES SUGGESTED BY BOISSIEU MIGHT BE IN ORDER. THEY THOUGHT, HOWEVER, THAT IT WOULD NOT BE DESIRABLE TO DUPLICATE THE CONSIDERATIONS NOW UNDERWAY IN BERLIN AND THEREFORE AGREED TO AWAIT RECOMMENDATIONS FROM THE MISSIONS.

14. COMMENT AND ACTION REQUESTED: GIVEN THE

POSSIBILITY FOR DIFFICULTIES WITH THE REICHSBAHN
AFTER FEBRUARY 1, EMBASSY AGREES WITH THE NEED FOR
SPEEDY DECISIONS. WE ALSO ARE INCLINED TO AGREE WITH
THE TENTATIVE VIEWS OF THE CIVIL AFFAIRS COMMITTEE,
AS REPORTED BY HITCH, AND WITH BOISSIEU'S VIEWS THAT
AN EARLY ALLIED APPROACH TO THE SOVIETS MAY BE CALLED
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FOR. WOULD APPRECIATE AN INDICATION FROM USBER AS TO
WHETHER CONSULTATIONS IN BERLIN WOULD BE FACILITATED
OR HINDERED IF BONN GROUP WERE TO MOVE AHEAD WITH AN
EARLY RECOMMENDATION ON THE BASIC LINE TO
BE FOLLOWED.
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